

Background Information

On January 22, 1987, the Commission adopted a Statement of Decision approving the *Graduation Requirements* test claim on Education Code section 51225.3, as added by Statutes 1983, chapter 498. The Commission determined that Education Code section 51225.3 constitutes a reimbursable state-mandated program by requiring students, beginning with the 1987-87 school year, to complete at least two courses in science before receiving a high school diploma. The test claim statute increased the number of science courses required for high school graduation from one science course to two science courses.

On March 23, 1988, the Commission adopted the parameters and guidelines on consent. (AR-SDUSD, pp. 237-239 [adopted parameters and guidelines], 265 [minutes of the Commission's March 23, 1988 hearing].) The parameters and guidelines were amended on August 24, 1988, and January 24, 1991. The August 24, 1988 amendment was a technical, non-substantive amendment. (AR-SDUSD, pp. 89-91.) The January 24, 1991 amendment was based on a statute requiring the Commission to amend the parameters and guidelines to specifically require documentation to demonstrate actual need for capital improvements, and did not relate to teacher salaries. (AR-SDUSD, pp. 105-108, 117-121.)

The parameters and guidelines were subsequently amended on December 9, 2005, pursuant to Statutes 2004, chapter 895, section 17 (AB 2855), for costs incurred beginning January 1, 2005 (the effective date of the bill). AB 2855 provided that if a school district or county office of education submits a valid reimbursement claim for a new science facility, the reimbursement shall be reduced by the amount of state bond funds, if any, received by the school district or county office to construct the new science facility. This language was included in Section VII, the Offsetting Savings and Reimbursements, of the parameters and guidelines. Other non-substantive and technical changes were also made.

Incorrect Reduction Claims - Teacher Salary Costs

On August 20, 1993, the State Controller's Office sent the school districts a letter denying reimbursement for all teacher salaries, which stated in relevant part the following: "The addition of science classes should have resulted in offsetting savings due to a corresponding reduction of non-science classes. Your claims do not indicate a corresponding reduction." (AR-SDUSD, p. 511.)

Several school districts then filed incorrect reduction claims with the Commission based on the reduction of their costs incurred and claimed beginning with initial reimbursement claims. After several hearings, the incorrect reduction claim of San Diego Unified School District was decided first, on September 28, 2000. The Commission determined that the State Controller's Office did not incorrectly reduce the claim for teacher salaries since the reductions were performed in accordance with the parameters and guidelines, the claiming instructions, and Education Code section 44955. Since the school district did not include any offsetting savings with respect to teacher salaries or claim salary

differentials pursuant to Education Code section 44955, or provide any documentation to support its claim for teacher salaries, the Commission upheld the action of the State Controller's Office. (AR-SDUSD, p. 2574.) The other school districts in this action incorporated by reference the arguments and record of San Diego into their claims for teacher salaries.

Incorrect Reduction Claims - Science Classroom Construction and Remodeling Costs

In November 1996, Grossmont Union High School District filed its initial reimbursement claim with the State Controller's Office for science classroom construction and remodeling in four of its schools for fiscal years 1994-95 through 1995-96 in the amount of \$337,113. (AR-Grossmont, p. 22.) In 1994 and 1996, Clovis filed reimbursement claims with the State Controller's Office for leasing portable science classrooms in the amount of \$72,034 for fiscal years 1994-95 through 1995-96. (AR-Clovis, pp. 113, 115.)

The State Controller's Office reduced these reimbursement claims because the school districts did not provide documentation evidencing board certification, as required by the parameters and guidelines and claiming instructions. (AR-Grossmont, p. 118; AR-Clovis, p. 100.)

The school districts then filed incorrect reduction claims with the Commission. (AR-Grossmont, p. 73; AR-Clovis, p. 41.) On January 24, 2002, the Commission adopted statements of decision denying the incorrect reduction claims for the classroom costs of Grossmont and Clovis, and upheld the action of the State Controller's Office to reduce the claims. The Commission found that there was no evidence in the record, as specifically required by the parameters and guidelines, that the governing board conducted an analysis of the science facilities within the district and made specific findings that no facilities existed to reasonably accommodate the increased enrollment in the science course required by Education Code section 51225.3. (AR-Grossmont, p. 389; AR-Clovis, p. 297.)

Lawsuits Filed by School Districts Challenging the Reductions

San Diego Unified School District, et al. v. Commission on State Mandates et al., Case No. 03CS01401 et al.

San Diego Unified School District, San Jose Unified School District, Sweetwater Union High School District, Castro Valley Unified School District, Grossmont Union High School District, and Clovis Unified School District filed lawsuits in the Sacramento County Superior Court challenging the Commission's decisions on the incorrect reduction claims.

The Sacramento County Superior Court disagreed with the Commission's decisions upholding the Controller's reduction of claims for teacher salary costs on the ground that the school districts did not identify any offsetting savings due to a corresponding reduction of non-science teachers pursuant to Education Code section 44955. Thus, the court granted the petitions for peremptory writ of mandate on that issue and remanded the case to the Commission for rehearing with directions.

The Court's Judgment, Ruling, and Writ provide the following:

- The finding in the Statement of Decision and the parameters and guidelines that school districts are eligible to receive reimbursement for the increased costs to staff the second science course mandated by the test claim statute (Education Code section 51225.3) is binding on the parties. The Controller's Office did not challenge or reduce the original claimed amount for teacher salary costs as unreasonable or excessive. Rather, reductions were made because the districts failed to show an offset of costs by laying off teachers of non-mandated courses pursuant to Education Code section 44955. Thus, the Commission does not have jurisdiction to address the fact that teacher salary costs are reimbursable, or the original amount claimed by the districts for teacher salary costs.
- The issue on remand is limited to whether the districts experienced any costs savings by exercising their discretionary authority under Education Code section 44955, by reducing the teaching staff of non-mandated courses as a direct result of the second science course mandated by the test claim statute.
- The parties are bound by the court's holding that the use of the authority in Education Code section 44955 rests entirely in the discretion of the district's governing board and cannot be used by the Controller's Office to require the district to show a reduction of costs in order to get reimbursed for teacher salary costs.
- The Controller may not deny or reduce a claim for teacher salary costs on the ground that the district has not exercised its authority under Education Code section 44955 and/or shown a reduction in non-science classes and teachers corresponding to the addition of the new mandated science class.
- The Controller may not require a showing by the school districts that the claimed teacher salary costs could not have been offset pursuant to Education Code section 44955.

On July 28, 2006, and October 26, 2006, the Commission fully complied with the Writ of Mandate by (1) determining that the State Controller properly reevaluated the reimbursement claims of each petitioner school district; (2) adopting decisions sustaining the Controller's reevaluation of the claims filed by each petitioner school district; and (3) remanding the reevaluated claims to the Controller for payment.

The court upheld the Commission's decisions on the classroom construction and remodeling claims. The court held that the districts did not satisfy the certification requirement of the parameters and guidelines when they submitted their reimbursement claims and, thus, the Controller properly reduced the reimbursement claims.

West Contra Costa Unified School District, et al. v. Commission on State Mandates, et al., Sacramento Superior Court Case Nos. 05CS01253, 05CS01256, 05CS01401; 05CS01237; and 05CS01262 (*West Contra Costa Unified School District, Anderson Union High School District, Center Unified School District, Lake Tahoe Unified School District, Lincoln Unified School District, Linden Unified School District, Novato Unified School District, Ojai Unified School District, Placer Union High School District, San Juan Unified School District, Stockton Unified School District, Vallejo City Unified*

School District, Eastside Union High School District; Woodland Joint Unified School District, Yuba City Unified School District, and John Swett Unified School District.)

After the ruling in the *San Diego Unified School District et al.* case, West Contra Costa Unified School District and fifteen other school districts also challenged the Commission's decisions on the *Graduation Requirements* Incorrect Reduction Claims. To avoid further litigation, the parties stipulated that the court's judgment and peremptory writ of mandate for the San Diego Unified School District bound these additional school districts under collateral estoppel principle since they involved the same issues previously litigated in the San Diego case: reimbursement for teacher salary costs to implement the *Graduation Requirements* mandate. A judgment pursuant to the stipulation was entered by the court. Like the San Diego action, the stipulation required the Commission to set aside its decisions on the incorrect reduction claims for the 16 school districts, and required the State Controller's Office to reevaluate the school districts' reimbursement claims in accordance with the Court's judgment. Unlike the San Diego action, however, the Commission was not required to hear and determine whether the Controller's reevaluations were correct unless the school districts and the Controller did not agree on the reevaluation.

On July 28, 2006, the Commission set aside the Statements of Decision on the incorrect reduction claims filed by the 16 school districts. On the following page is a table showing the original claimed amounts and reductions made by the Controller's Office.

	School District	Fiscal Years Claimed	Original Amounts Claimed	Original SCO Reductions*	Original Amounts¹ Paid*
1	West Contra Costa Unified School District	1984/85– 1991/92	\$3,610,533	-\$3,610,533	\$0
2	Yuba City Unified School District	1984/85 – 1991/92	\$1,115,317	-\$1,115,317	\$0
3	Vallejo City Unified School District	1984/85 – 1989/90 & 1991-92	\$667,628	-\$667,628	\$0
4	John Swett Unified School District	1984/85 – 1991/92	\$373,640	-\$364,025	\$9,615
5	Stockton Unified School District	1984/85 – 1989/90	\$1,230,303	-\$1,210,189	\$20,114
6	Novato Unified School District	1984/85 – 1991/92	\$408,552	-\$408,552	\$0
7	Center Unified School District	1984/85 – 1991/92	\$184,344	-\$184,344	\$0
8	Placer Union High School District	1984/85 – 1994/95	\$3,248,940	-\$3,011,129	\$237,811
9	Lake Tahoe Unified School District	1984/85 – 1989/90 & 1991-92	\$153,958	-\$131,925	\$22,033
10	East Side Union High School District	1984/85 – 1989/90 & 1991-92	\$8,688,354	-\$7,684,873	\$1,003,481
11	Ojai Unified School District	1984/85 – 1991/92	\$230,549	-\$211,557	\$18,992
12	Lincoln Unified School District	1984/85 – 1989/90, & 1991/92	\$604,571	-\$571,356	\$33,215
13	Anderson Union High School District	1991/92	\$124,140	-\$118,584	\$5,556
14	Woodland Joint Union High School District	1984/85 – 1989/90, & 1991/92	\$687,259	-\$677,134	\$10,125
15	San Juan Unified School District	1984/85 – 1989/90	\$5,011,885	-\$4,906,590	\$105,295
16	Linden Unified School District	1984/85 – 1989/90	\$38,055	-\$38,055	\$0
	TOTALS		\$26,378,028	-\$24,911,791	\$1,466,237

*These amounts have not been adjusted for the State Controller's Office reevaluations of the school districts' reimbursement claims in accordance with the Court's judgment.

¹ This amount does not reflect if further reduction was made because of penalties charged for filing late reimbursement claims.

OFFICE OF THE STATE CONTROLLER
STATE MANDATED COSTS CLAIMING INSTRUCTIONS NO. 2006-05
GRADUATION REQUIREMENTS (AMENDED)

FEBRUARY 21, 2006

In accordance with Government Code (GC) section 17561, eligible claimants may submit claims to the State Controller's Office (SCO) for reimbursement of costs incurred for state mandated cost programs. The following are claiming instructions and forms that eligible claimants will use for the filing of claims for the Graduation Requirements Program. These claiming instructions are issued subsequent to the adoption of the program's parameters and guidelines (P's & G's) which was amended by the Commission on State Mandates (COSM).

On January 22, 1987, the COSM adopted a Statement of Decision finding that the Graduation Requirements test claim constitutes a reimbursable state-mandated program by requiring students, beginning with the 1986-1987 school year, to complete at least two courses in science before receiving a high school diploma. Under prior law, the Education Code only required the completion of one science course.

Eligible Claimants

Any "school district," as defined in GC section 17519, except for community colleges, that incurs increased costs as a result of this mandate is eligible to claim reimbursement.

Filing Deadlines

Reimbursement claims for the period July 1, 2004 to December 31, 2004 should be filed under the old P's & G's and for the period January 1, 2005 to June 30, 2005, should be filed under the new (amended) P's & G's. Estimated claims for the 2005-06 fiscal year should also be filed under the new (amended) P's & G's and must be delivered or postmarked on or before **June 21, 2006**. If a reimbursement claim for fiscal year 2004-05 and/or an estimated claim for fiscal year 2005-06 have already been filed, those claims must be amended, if the costs have changed based on the amended P's & G's, and filed with the SCO and be delivered or postmarked on or before **June 21, 2006**. Claims filed after the deadline will be reduced by a late penalty of 10%.

In order for a claim to be considered properly filed, it must include specific supporting documentation requested in these claiming instructions. **Claims filed more than one year after the deadline or without the requested supporting documentation will not be accepted.**

Minimum Claim Cost

GC section 17564(a) provides that no claim shall be filed pursuant to sections 17551 and 17561, unless such claim exceeds one thousand dollars (\$1,000), provided that a county superintendent of schools may submit a combined claim on behalf of school districts within their county if the combined claim exceeds \$1,000, even if each of the individual school district's claims does not exceed \$1,000. The county superintendent of schools shall determine if the submission of the combined claim is economically feasible and shall be responsible for disbursing the funds to each school district. These combined claims may be filed only when the county superintendent of schools is the fiscal agent for the school districts. A combined claim must show the individual claim costs for each eligible school district. All subsequent claims based upon the same mandate shall only be filed in the combined form unless a school district provides a written notice of its

intent to file a separate claim to the county superintendent of schools, and to the SCO, at least 180 days prior to the deadline for filing the claim.

Reimbursement of Claims

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, and declarations. Declarations must include a certification or declaration stating, "I certify, (or declare), under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of the Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

Audit of Costs

All claims submitted to the SCO are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the COSM. If any adjustments are made to a claim, a "Notice of Claim Adjustment" specifying the claim activity adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within 30 days after payment of the claim.

Pursuant to GC section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a school district pursuant to this chapter is subject to the initiation of an audit by the SCO no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the SCO to initiate an audit shall commence to run from the date of initial payment of the claim. All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by the SCO during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

On-site audits will be conducted by the SCO as deemed necessary. Accordingly, all documentation to support actual costs claimed must be retained for a period of three years after the end of the calendar year in which the reimbursement claim was filed or amended regardless of the year of costs incurred. When no funds are appropriated for initial claims at the time the claim is filed, supporting documents must be retained for three years from the date of initial payment of the claim. Claim documentation shall be made available to the SCO on request.

Retention of Claiming Instructions

The claiming instructions and forms in this package should be retained permanently in your Mandated Cost Manual for future reference and use in filing claims. These forms should be

duplicated to meet your filing requirements. You will be notified of updated forms or changes to claiming instructions as necessary.

Questions or requests for hard copies of these instructions should be faxed to Angie Lowi-Teng at (916) 323-6527 or e-mailed to LRSDAR@sco.ca.gov or, if you wish, you may call the Local Reimbursements Section at (916) 324-5729.

For your reference, these and future mandated costs claiming instructions and forms can be found on the Internet at www.sco.ca.gov/ard/local/locreim/index.shtml.

Address for Filing Claims

Claims should be rounded to the nearest dollar. Submit a signed original and a copy of form FAM-27, Claim for Payment, and all other forms and supporting documents. **(To expedite the payment process, please sign the form in blue ink, and attach a copy of the form FAM-27 to the top of the claim package).** Use the following mailing addresses:

If delivered by
U.S. Postal Service:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If delivered by
other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

Amended: 12/09/05
Amended: 01/24/91
Amended: 08/24/88
Adopted: 03/23/88

PARAMETERS AND GUIDELINES AMENDMENT

Education Code Section 51225.3

Statutes 1983, Chapter 498

Graduation Requirements (04-PGA-30)

I. SUMMARY OF THE MANDATE

On January 22, 1987, the Commission on State Mandates (Commission) adopted a Statement of Decision finding that the *Graduation Requirements* test claim constitutes a reimbursable state-mandated program by requiring students, beginning with the 1986-1987 school year, to complete at least two courses in science before receiving a high school diploma. Under prior law, the Education Code only required the completion of one science course.

II. ELIGIBLE CLAIMANTS

Any "school district," as defined in Government Code section 17519, except for community colleges, that incurs increased costs as a result of this mandate is eligible to claim reimbursement.

III. PERIOD OF REIMBURSEMENT

The period of reimbursement for the activities in this parameters and guidelines amendment begins on January 1, 2005.

Pursuant to Government Code section 17560, reimbursement for state-mandated costs may be claimed as follows:

1. A school district may file an estimated reimbursement claim by January 15 of the fiscal year in which costs are to be incurred, and, by January 15 following that fiscal year shall file an annual reimbursement claim that details the costs actually incurred for that fiscal year; or it may comply with the provisions of subdivision (b).
2. A school district may, by January 15 following the fiscal year in which costs are incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year.
3. In the event revised claiming instructions are issued by the Controller pursuant to subdivision (c) of section 17558 between October 15 and January 15, a school district filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.

Reimbursable actual costs for one fiscal year shall be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to Government Code section 17561, subdivision (d)(1), all claims for reimbursement of initial years' costs shall

be submitted within 120 days of the issuance of the State Controller's claiming instructions. If the total costs for a given fiscal year do not exceed \$1,000, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

There shall be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

IV. REIMBURSABLE ACTIVITIES

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

For this program, supporting documentation shall also include the following:

- A. Documentation of increased units of science course enrollments due to the enactment of Education Code Section 51225.3 necessitating such an increase.
- B. Documentation of lack of appropriately configured and equipped space in existing facilities for the new courses.
- C. Certification by the Board that an analysis of all appropriate science facilities within the district was conducted, and a determination made that no such facilities existed to reasonably accommodate increased enrollment for the additional science courses required by the enactment of Education Code Section 51225.3. To reasonably accommodate includes:
 - a. Adjusting attendance boundaries to balance attendance between under-utilized and over-utilized secondary school facilities within the district.
 - b. Taking advantage of other available secondary school science facilities that are within a secure walking distance of the school.
- D. Documentation that the additional space for conducting new science classes is required only when the space would not have otherwise been acquired due to an increase in high school enrollment.
- E. Documentation that remodeling existing facilities was not feasible or would have been more expensive than acquiring additional space.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

For each eligible claimant, the following activities are reimbursable:

1. Acquisition of additional space and equipment necessary for conducting new science classes, providing that space is lacking in existing facilities. However, the acquisition of additional space for conducting new science classes are reimbursable only to the extent that districts can document that this space would not have been otherwise acquired due to increases in the number of students enrolling in high school, and that it was not feasible, or would be more expensive, to acquire space by remodeling existing facilities.
2. Remodeling existing space to accommodate the new science class and lab including costs of design, renovation, and special lab equipment and outlets essential to maintaining a level of instruction sufficient to meet college admission requirements.
3. Increased cost to school district for staffing and supplying the new science classes mandated.

V. CLAIM PREPARATION AND SUBMISSION

Each of the following cost elements must be identified for each reimbursable activity identified in Section IV, Reimbursable Activities, of this document. Each claimed reimbursable cost must be supported by source documentation as described in Section IV. Additionally, each reimbursement claim must be filed in a timely manner.

A. Direct Cost Reporting

Direct costs are those costs incurred specifically for the reimbursable activities. The following direct costs are eligible for reimbursement.

1. Salaries and Benefits

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

2. Materials and Supplies

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities. Purchases shall be claimed at the actual price after deducting discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged on an appropriate and recognized method of costing, consistently applied.

3. Contracted Services

Report the name of the contractor and services performed to implement the reimbursable activities. Attach a copy of the contract to the claim. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the dates when services were performed and itemize all costs for those services.

Beginning in fiscal year 1984-1985, the maximum reimbursable fee for contracted services was \$65 per hour, adjusted annually by the GNP Deflator. Those claims which are based on annual retainers shall contain a certification that the fee is no greater than the maximum fee specified in the Controller's claiming instructions. Reasonable expenses will also be paid as identified on the monthly billings of consultants.

4. Fixed Assets and Equipment

Report the purchase price paid for fixed assets and equipment (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset or equipment is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

5. Travel

Report the name of the employee traveling for the purpose of the reimbursable activities. Include the date of travel, destination point, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element A.1, Salaries and Benefits, for each applicable reimbursable activity.

B. Indirect Cost Rates

Indirect costs are costs that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned to other activities, as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives. A cost may not be allocated as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been claimed as a direct cost.

Indirect costs include: (a) the indirect costs originating in each department or agency of the governmental unit carrying out state mandated programs, and (b) the costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

School districts must use the J-380 (or subsequent replacement) non-restrictive indirect cost rate provisionally approved by the California Department of Education.

County offices of education must use the J-580 (or subsequent replacement) non-restrictive indirect cost rate provisionally approved by the California Department of Education.

VI. **RECORD RETENTION**

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter¹ is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that

¹ This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

the audit is commenced. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

VII. OFFSETTING SAVINGS AND REIMBURSEMENTS

Any offsetting savings the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate from any source, including but not limited to, service fees collected, federal funds, and other state funds, shall be identified and deducted from this claim.

If the school district or county office submits a valid reimbursement claim for a new science facility, the reimbursement shall be reduced by the amount of state bond funds, if any, received by the school district or county office to construct the new science facility.

VIII. STATE CONTROLLER'S REVISED CLAIMING INSTRUCTIONS

Pursuant to Government Code section 17558, subdivision (c), the Controller shall issue revised claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the revised parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed. The revised claiming instructions shall be derived from the test claim decision and the revised parameters and guidelines adopted by the Commission.

Pursuant to Government Code section 17561, subdivision (d)(2), issuance of the revised claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon the revised parameters and guidelines adopted by the Commission.

IX. REMEDIES BEFORE THE COMMISSION

Upon request of a local agency or school district, the Commission shall review the claiming instructions issued by the State Controller or any other authorized state agency for reimbursement of mandated costs pursuant to Government Code section 17571. If the Commission determines that the claiming instructions do not conform to the parameters and guidelines, the Commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the Commission.

In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557, subdivision (d), and California Code of Regulations, title 2, section 1183.2.

X. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES

The Statement of Decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record for the test claim. The administrative record, including the Statement of Decision, is on file with the Commission.

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 GRADUATION REQUIREMENTS			For State Controller Use Only		Program
			(19) Program Number 00026		026
			(20) Date Filed ____/____/____		
			(21) LRS Input ____/____/____		
L A B E L H E R E	(01) Claimant Identification Number		Reimbursement Claim Data		
	(02) Claimant Name		(22) GR-1, (03)		
	County of Location		(23) GR-1, (04)(1)(e)		
	Street Address or P.O. Box Suite		(24) GR-1, (04)(2)(e)		
	City State Zip Code		(25) GR-1, (04)(3)(e)		
			(26) GR-1, (08)		
Type of Claim	Estimated Claim	Reimbursement Claim	(27) GR-1, (09)		
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>	(28) GR-1, (11)		
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(29) GR-1, (12)		
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>			
Fiscal Year of Cost	(06) 20____/20____	(12) 20____/20____	(30)		
Total Claimed Amount	(07)	(13)	(31)		
Less: 10% Late Penalty, not to exceed \$1,000		(14)	(32)		
Less: Prior Claim Payment Received		(15)	(33)		
Net Claimed Amount		(16)	(34)		
Due from State	(08)	(17)	(35)		
Due to State		(18)	(36)		
(37) CERTIFICATION OF CLAIM <p>In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the school district to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.</p> <p>I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the the State of California that the foregoing is true and correct.</p> <div style="display: flex; justify-content: space-between;"> <div>Signature of Authorized Officer</div> <div>Date</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div>_____ Type or Print Name</div> <div>_____ Title</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div>(38) Name of Contact Person for Claim</div> <div>Telephone Number () - Ext.</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div></div> <div>E-Mail Address</div> </div>					

Program 026	GRADUATION REQUIREMENTS Certification Claim Form Instructions	FORM FAM-27
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- (01) Enter the payee number assigned by the State Controller's Office.
- (02) Enter your Official Name, County of Location, Street or P. O. Box address, City, State, and Zip Code.
- (03) If filing an estimated claim, enter an "X" in the box on line (03) Estimated.
- (04) If filing a combined estimated claim on behalf of districts within the county, enter an "X" in the box on line (04) Combined.
- (05) If filing an amended estimated claim, enter an "X" in the box on line (05) Amended.
- (06) Enter the fiscal year in which costs are to be incurred.
- (07) Enter the amount of the estimated claim. If the estimate exceeds the previous year's actual costs by more than 10%, complete form GR-1 and enter the amount from line (13).
- (08) Enter the same amount as shown on line (07).
- (09) If filing a reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) If filing a combined reimbursement claim on behalf of districts within the county, enter an "X" in the box on line (10) Combined.
- (11) If filing an amended reimbursement claim, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year for which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate form FAM-27 for each fiscal year.
- (13) Enter the amount of the reimbursement claim from form GR-1, line (13). The total claimed amount must exceed \$1,000.
- (14) Reimbursement claims must be filed by June 21, 2006. Claims filed after the deadline will be reduced by a late penalty. Enter zero if the claim was timely filed, otherwise, enter the product of multiplying line (13) by the factor 0.10, not to exceed \$1,000.
- (15) If filing a reimbursement claim or a claim was previously filed for the same fiscal year, enter the amount received for the claim. Otherwise, enter a zero.
- (16) Enter the result of subtracting line (14) and line (15) from line (13).
- (17) If line (16), Net Claimed Amount, is positive, enter that amount on line (17), Due from State.
- (18) If line (16), Net Claimed Amount, is negative, enter that amount on line (18), Due to State.
- (19) to (21) Leave blank.
- (22) to (36) Reimbursement Claim Data. Bring forward the cost information as specified on the left-hand column of lines (22) through (36) for the reimbursement claim, e.g., GR-1, (04)(1)(e), means the information is located on form GR-1, block (4), line (01), column (c). Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, i.e., no cents. Indirect costs percentage should be shown as a whole number and without the percent symbol, i.e., 7.548% should be shown as 8. **Completion of this data block will expedite the payment process.**
- (37) Read the statement "Certification of Claim." If it is true, the claim must be dated, signed by the agency's authorized officer and must include the person's name and title, typed or printed. **Claims cannot be paid unless accompanied by an original signed certification. (To expedite the payment process, please sign the form FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.)**
- (38) Enter the name, telephone number, and e-mail address of the person to contact if additional information is required.

SUBMIT A SIGNED ORIGINAL, AND A COPY OF FORM FAM-27, WITH ALL OTHER FORMS AND SUPPORTING DOCUMENTS TO:

Address, if delivered by U.S. Postal Service:

**OFFICE OF THE STATE CONTROLLER
 ATTN: Local Reimbursements Section
 Division of Accounting and Reporting
 P.O. Box 942850
 Sacramento, CA 94250**

Address, if delivered by other delivery service:

**OFFICE OF THE STATE CONTROLLER
 ATTN: Local Reimbursements Section
 Division of Accounting and Reporting
 3301 C Street, Suite 500
 Sacramento, CA 95816**

Program 026	MANDATED COSTS GRADUATION REQUIREMENTS CLAIM SUMMARY					FORM GR-1
(01) Claimant			(02) Type of Claim Reimbursement <input type="checkbox"/> Estimated <input type="checkbox"/>		Fiscal Year 20__/20__	
Claim Statistics						
(03) Number of new or remodeled science classrooms						
(04) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Total	
1. Acquisition Cost						
2. Remodeling Cost						
3. Staffing and Supplies						
(05) Total Direct Costs						
(06)						
(07)						
Indirect Costs						
(08) Indirect Cost Rate			[From J-380 or J-580]			%
(09) Total Indirect Costs			[Line (05)(a) x line (08)]			
(10) Total Direct and Indirect Costs			[Line (05)(e) + line (09)]			
Cost Reduction						
(11) Less: Offsetting Savings, if applicable						
(12) Less: Other Reimbursements, if applicable						
(13) Total Claimed Amount			[Line (10) – {line (11) + line (12)}]			

Program 026	GRADUATION REQUIREMENTS CLAIM SUMMARY Instructions	FORM GR-1
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- (01) Enter the name of the claimant.
- (02) Type of Claim. Check a box, Reimbursement or Estimated, to identify the type of claim being filed. Enter the fiscal year for which costs were incurred or are to be incurred.
- Form GR-1 must be filed for a reimbursement claim. Do not complete form GR-1 if you are filing an estimated claim and the estimate does not exceed the previous fiscal year's actual costs by more than 10%. Simply enter the amount of the estimated claim on form FAM-27, line (07). However, if the estimated claim exceeds the previous fiscal year's actual costs by more than 10%, form GR-1 must be completed and a statement attached explaining the increased costs. Without this information the estimated claim will automatically be reduced to 110% of the previous fiscal year's actual costs.
- (03) Enter the number of new or remodeled science classrooms.
- (04) Reimbursable Components. For each reimbursable component, enter the totals from form GR-2, line (05), columns (d), (e), (f), and (g) to form GR-1, block (04), columns (a), (b), (c), and (d) in the appropriate row. Total each row.
- (05) Total Direct Costs. Total columns (a) through (e).
- (06) Leave blank.
- (07) Leave blank.
- (08) Indirect Cost Rate. Enter the indirect cost rate from the Department of Education form J-380 or J-580, as applicable for the fiscal year of costs.
- (09) Total Indirect Costs. Enter the result of multiplying the Indirect Cost Rate, line (08), by the Total Salaries and Benefits, line (05)(a).
- (10) Total Direct and Indirect Costs. Enter the sum of Total Direct Costs, line (05)(e), and Total Indirect Costs, line (09).
- (11) Less: Offsetting Savings, if applicable. Enter the total savings experienced by the claimant as a direct result of this mandate. Submit a detailed schedule of savings with the claim.
- (12) Less: Other Reimbursements, if applicable. Enter the amount of other reimbursements received from any source, (i.e., service fees collected, federal funds, and other state funds, etc.) which reimbursed any portion of the mandated cost program. Submit a schedule detailing the reimbursement sources and amounts.
- (13) Total Claimed Amount. Subtract the sum of Offsetting Savings, line (11), and Other Reimbursements, line (12), from Total Direct and Indirect Costs, line (10). Enter the remainder on this line and carry the amount forward to form FAM-27, line (07) for the Estimated Claim or line (13) for the Reimbursement Claim.

Program 026	MANDATED COSTS GRADUATION REQUIREMENTS COMPONENT/ACTIVITY COST DETAIL	FORM GR-2
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(01) Claimant

(02) Fiscal Year Costs Were Incurred

(03) Reimbursable Component: Check only **one** box per form to identify the component being claimed.☐ Acquisition Cost☐ Remodeling Cost☐ Staffing and Supplies

(04) Description of Expenses: Complete columns (a) through (g).

Object Accounts

(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Capital Outlays
(05) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ____ of ____						

Program 026	GRADUATION REQUIREMENTS COMPONENT/ACTIVITY COST DETAIL Instructions	FORM GR-2
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year in which costs were incurred.
- (03) Reimbursable Components. Check the box which indicates the cost component being claimed. Check only one box per form. A separate form GR-2 shall be prepared for each applicable component.
- (04) Description of Expenses. The following table identifies the type of information required to support reimbursable costs. To detail costs for the component activity box "checked" in block (03), enter the employee names, position titles, a brief description of the activities performed, actual time spent by each employee, productive hourly rates, fringe benefits, supplies used, contract services, and capital outlays needed to acquire space and equipment. Contract Services are reimbursable to the extent that activities performed require special skills or knowledge that are not readily available from the claimant's staff. The maximum reimbursable fee for contract services is \$122.06 for the 2004-05 fiscal year. If a piece of equipment acquired for the Graduation Requirement program is also utilized for other programs, only a prorated cost of the equipment is reimbursable. **The descriptions required in column (4)(a) must be of sufficient detail to explain the cost of activities or items being claimed.** For audit purposes, all supporting documents must be retained by the claimant for a period of not less than three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated and no payment was made at the time the claim was filed, the time for the Controller to initiate an audit shall be three years from the date of initial payment of the claim. Such documents shall be made available to the State Controller's Office on request.

Object/ Sub object Accounts	Columns							Submit these supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	
Salaries	Employee Name	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked				
Benefits	Title Activities	Benefit Rate		Benefits = Benefit Rate x Salaries				
Materials and Supplies	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used			
Contract Services	Name of Contractor Specific Tasks Performed	Hourly Rate	Hours Worked Inclusive Dates of Service			Cost = Hourly Rate x Hours Worked or Total Contract		Copy of Contract and Invoices
Capital Outlays	Description of Equipment Purchased Equipment ID	Unit Cost	Quantity Used				Cost = Unit Cost x Quantity Used	Invoices

- (05) Total line (04), columns (d), (e), (f), (g), and enter the sum on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail the component costs, number each page. Enter totals from line (05), columns (d), (e), (f), and (g) to form GR-1, block (04), columns (a), (b), (c), (d) and (e) in the appropriate row.

Adopted: 3/23/88
Amended: 8/24/88
Amended: 1/24/91

CSM-4181
PROPOSED AMENDMENT TO THE
PARAMETERS AND GUIDELINES
Chapter 498, Statutes of 1983
Education Code Section 51225.3
Graduation Requirements

I. SUMMARY OF MANDATE

Chapter 498, Statutes of 1983, added Section 51225.3 to the Education Code. This section requires that beginning with the 1986/87 school year, no pupil shall receive a high school diploma without completing an additional science course above that which was required prior to enactment of Chapter 498/83. One year of science was required prior to Chapter 498/83 and as a result of Chapter 498/83 two science courses are now required. Chapter 498/83 further specifies that the curriculum include one course each of biological and physical sciences.

II. COMMISSION ON STATE MANDATES DECISION

On November 20, 1986, the Commission on State Mandates determined that Education Code 51225.3 as added by Statutes of 1983, Chapter 498, constitutes a reimbursable state mandate by requiring school districts to provide an additional science course to students prior to their graduation from the twelfth grade.

III. ELIGIBLE CLAIMANTS

All school districts that incurred increased costs as a result of implementing Chapter 498, Statutes of 1983, Education Code Section 51225.3.

IV. PERIOD OF REIMBURSEMENT

The graduation requirement provisions of Chapter 498, Statutes of 1983, which amended Education Code section 51225.3 became effective July 28, 1983. Section 17557 of the Government Code states that a test claim must be submitted on or before

November 30 following a given fiscal year to establish eligibility for that fiscal year. The test claim for this mandate was filed November 19, 1985. Therefore, costs incurred on or after July 1, 1984 are reimbursable. If total costs for a given fiscal year total less than \$201.00, no reimbursement shall be allowed, except as provided for in Revenue and Taxation Code Section 2233, which allows County Superintendents and County fiscal officers to consolidate claims of school districts and special districts that, taken individually are less than \$201.00.

V. REIMBURSABLE COSTS

School Districts will be reimbursed for increased costs incurred in providing the additional science course mandated by Chapter 498/83, such as:

- A. Acquisition of additional space and equipment necessary for conducting new science classes, providing that space is lacking in existing facilities. However, the acquisition of additional space for conducting new science classes are reimbursable only to the extent that districts can document that this space would not have been otherwise acquired due to increases in the number of students enrolling in high school, and that it was not feasible, or would be more expensive, to acquire space by remodeling existing facilities.
- B. Remodeling existing space to accommodate the new science class and lab including costs of design, renovation, and special lab equipment and outlets essential to maintaining a level of instruction sufficient to meet college admission requirements.
- C. Increased cost to school district for staffing and supplying the new science classes mandated. The determination of the increased cost of additional science instructors, for each fiscal year, is subject to the following limitations:
 - 1. There is no reimbursable increased cost for additional science instructors for any fiscal year in which the "variance" in the average class size of all science classes is equal or greater than the average class size of all other classes. The variance in the average class sizes is determined by dividing the average class size for science classes by the average class size for all other

classes (grades 9-12).

2. The additional "pupil load" required for the mandated additional year of science instruction shall be calculated by dividing the total number of pupils (grades 9-12) by the number four, which represents one additional year of instruction.
3. The "pupil load per teacher" for science teachers shall be calculated by multiplying the average class size of all science classes by the number five, which represents the normal class workload of one teacher.
4. The additional number of science teachers required for the additional year of science instruction shall be calculated by dividing the additional pupil load (Item 2) by the pupil load per teacher (Item 3).
5. This increased cost of shall be calculated by multiplying the additional number of science teachers required for the additional years of science instruction (Item 4) by the district's average teacher salary (grades 9-12).
6. The reimbursable cost of additional science teachers shall be calculated by reducing (multiplying) the increased cost of the additional number of science teachers (Item 5) by the variance in average class sizes (Item 1).

VI. OFFSETTING SAVINGS AND OTHER REIMBURSEMENT

Any savings the claimant experiences as a direct result of this statute must be deducted from costs claimed, e.g., reductions in non-science classes resulting from increase in required science classes. In addition, reimbursement for this mandate received from any source, e.g., federal, state, block grants, etc., shall be identified and deducted from this claim.

VII. PROFESSIONAL AND CONSULTANT SERVICES

Claimants shall separately show the name of professionals or consultants, specify the functions which the consultants performed relative to the mandate, length of

appointment, and the itemized costs for such services. Invoices must be submitted as supporting documentation with the claim. The maximum reimbursable fee for contracted services is \$65 per hour, adjusted annually by the GNP Deflator. Those claims which are based on annual retainers shall contain a certification that the fee is no greater than the above maximum. Reasonable expenses will also be paid as identified on the monthly billings of consultants.

VIII. ALLOWABLE OVERHEAD COSTS

The overhead cost for all of the above reimbursable costs shall be the Non-Restrictive Indirect Cost Rate from the J-141A.

IX. SUPPORTING DATA FOR CLAIMS

- A. Documentation of increased units of science course enrollments due to the enactment of Education Code Section 51225.3 necessitating such an increase.
- B. Documentation of lack of appropriately configured and equipped space in existing facilities for the new courses.
- C. Certification by the Board that an analysis of all appropriate science facilities within the district was conducted, and a determination made that no such facilities existed to reasonably accommodate increased enrollment for the additional science courses required by the enactment of Education Code Section 51225.3. To reasonably accommodate includes:
 - a. Adjusting attendance boundaries to balance attendance between under-utilized and over-utilized secondary school facilities within the district.
 - b. Taking advantage of other available secondary school science facilities that are within a secure walking distance of the school.
- D. Documentation that the additional space for conducting new science classes is required only when the space would not have otherwise been acquired due to an increase in high school enrollment.

- E. Documentation that remodeling existing facilities was not feasible or would have been more expensive than acquiring additional space.

X. REQUIRED CERTIFICATION

The following certification must accompany the claim:

I DO HEREBY CERTIFY:

THAT Section 1090 to 1098, inclusive, of the Government Code and other applicable provisions of law have been complied with; and

THAT I am the person authorized by the local agency to file claims with the State of California.

Signature of Authorized Representative

Date

Title

Telephone Number

**San Diego Unified School District**EUGENE BRUCKER EDUCATION CENTER
4100 Normal Street, San Diego, CA 92103-2682(619) 725-7786
Fax: (619) 725-7564FINANCIAL OPERATIONS DIVISION
Office of Resource Development

October 9, 2006

Paula Higashi, Executive Director
Commission on State Mandates
U.S. Bank Plaza Building
980 Ninth Street, Suite 300
Sacramento, California 95814

RECEIVED

OCT 18 2006

COMMISSION ON
STATE MANDATES

RE: 498/83 *Graduation Requirements*
San Diego Unified School District
Request to Amend the Parameters and Guidelines

In 1996, the San Diego Unified School District filed a request to amend the parameters and guidelines for Graduation Requirements. This letter requests the following school districts be included as requesting parties.

Castro Valley Unified School District
Clovis Unified School District
Fullerton Joint Union High School District
Grossmont Union High School
San Jose Unified School District
Sweetwater Joint Union High School District

Unless you specify some other process, once you approve this request, each district or their representative, Keith Petersen, will provide you a letter confirming their participation and contact information.

Please let me know if you need additional information.

Sincerely,


Arthur M. Palkowitz

Director, Office of Resource Development



EDUCATING ALL YOUTH FOR EXCELLENCE

November 2, 2006

Castro Valley Unified School District

BOARD OF EDUCATION

John J. Barbieri

Janice Friesen

George Granger

Jo A.S. Loss

Kunlo Okul

SUPERINTENDENT

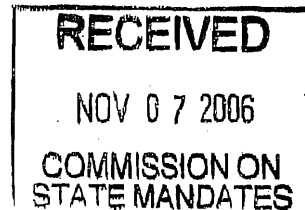
James L. Fitzpatrick

CSM-4181A

ATTACHMENT 3C

P.O. BOX 2146 • CASTRO VALLEY, CALIFORNIA 94546 • (510) 537-3000 • Fax (510) 886-8962

Paula Higashi, Executive Director
Commission on State Mandates
U.S. Bank Plaza Building
980 Ninth Street, Suite 300
Sacramento, California 95814



RE: Request to Amend the Parameters and Guidelines
San Diego Unified School District
498/83 Graduation Requirements

In a letter dated October 9, 2006, San Diego Unified School district requested that our district be included as a party to the request to amend the parameters and guidelines filed in 1996 by San Diego Unified School District.

The district appoints Keith B. Petersen, President, SixTen and Associates, as its representative for this matter, effective the date of this letter.

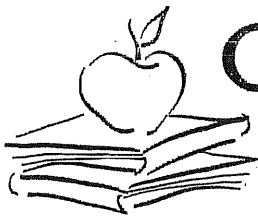
The District contact person is:

Gael Treible
Director, Business Services
P O Box 2146
Castro Valley, CA 94546
510-537-3000

Sincerely,

Gael Treible

c: Keith Petersen



CLOVIS

UNIFIED
SCHOOL DISTRICT

1450 HERNDON AVENUE

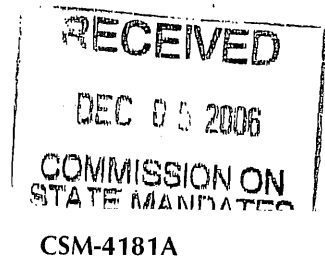
CLOVIS, CA 93611-0604

559.327.9000

www.cusd.com

November 29, 2006

Paula Higashi, Executive Director
Commission on State Mandates
U.S. Bank Plaza Building
980 Ninth Street, Suite 300
Sacramento, CA 95814



GOVERNING BOARD

Sandra A. Bengel
Brian D. Heryford
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Elizabeth J. Sandoval
Jim Van Volkinburg, D.D.S.
Susan M. Walker, D.H.Sc.

SUBJECT: Request to Amend the Parameters and Guidelines
San Diego Unified School District
498/83 Graduation Requirements

Dear Ms. Higashi:

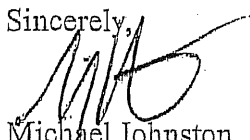
In a letter dated October 9, 2006, San Diego Unified School District requested that our district be included as a party to the request to amend the parameters and guidelines filed in 1996 by San Diego Unified School District.

The district appoints Keith B. Petersen, President, SixTen and Associates, as its representative for this matter, effective the date of this letter.

I will be the District contact person. Following is my contact information:

Michael Johnston
Assistant Superintendent of Business Services
Clovis Unified School District
1450 Herndon Avenue
Clovis, CA 93611
Ph (559) 327-9127
Fax (559) 327-9129
Email: MichaelJohnston@cusd.com

Sincerely,


Michael Johnston
Assistant Superintendent
Business Services

MJ/tg

cc: Joni Eisner, Mandated Cost Coordinator
Keith Peterson, SixTen & Associates





FULLERTON JOINT UNION HIGH SCHOOL DISTRICT

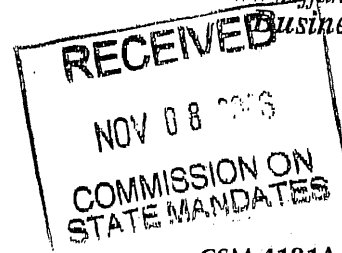
1051 West Bastanchury Road • Fullerton, California 92833-2247

(714)870-2810

FAX (714)870-2835

www.fjuhsd.k12.ca.us

Business Services



November 3, 2006

Paula Higashi, Executive Director
Commission on State Mandates
U.S. Bank Plaza Building
980 Ninth Street, Suite 300
Sacramento, CA 95814

RE: Request to Amend the Parameters and Guidelines
San Diego Unified School District
498/83 Graduation Requirements

Dear Ms. Higashi:

In a letter dated October 9, 2006, Fullerton Union High School District requested that the district be included as a party to the request to amend the parameters and guidelines filed in 1996 by San Diego Unified School District.

The district appoints Keith B. Petersen, President, SixTen and Associates, as its representative in this matter, effective the date of this letter.

I am the contact person for the Fullerton Joint Union High School District. My telephone number is (714) 870-2810, and my e-mail address is cpatterson@fjuhsd.k12.ca.us.

Thank you,

Colleen Patterson
Assistant Superintendent
Business Services

CP/ms



COMMITTED TO EXCELLENCE
S I N C E 1 9 2 0

• GOVERNING BOARD MEMBERS

JIM KELLY
RON NEHRING
PRISCILLA SCHREIBER
LARRY URDAHL
EVELYN WILLS

• SUPERINTENDENT

TERRY RYAN

November 6, 2006

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NOV 13 2006
COMMISSION ON
STATE MANDATES

CSM-4181A

Paula Higashi, Executive Director
Commission on State Mandates
U.S. Bank Plaza Building
980 Ninth Street, Suite 300
Sacramento, California 95814

Re: Request to Amend the Parameters and Guidelines
San Diego Unified School District
498/83 Graduation Requirements

Dear Ms. Higashi:

In a letter dated October 9, 2006, San Diego Unified School district requested that our district be included as a party to the request to amend the parameters and guidelines filed in 1996 by San Diego Unified School District.

Grossmont Union High School District therefore appoints Keith B. Petersen, President, SixTen and Associates, as its representative for this matter, effective the date of this letter.

The District contact person is:

Scott Patterson
Deputy Superintendent, Business Services
P.O. Box 1043
La Mesa, CA 91944-1043
619.644.8010

Sincerely,

Scott H. Patterson
Deputy Superintendent,
Business Services

SHP:cmm



SAN JOSE UNIFIED
SCHOOL DISTRICT

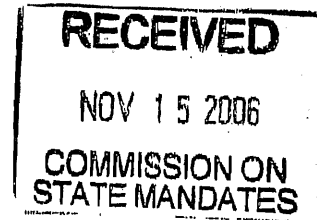
Mandated Cost Office

"Inspiring and Preparing for Success"

CSM-4181A

November 13, 2006

Paula Higashi, Executive Director
Commission on State Mandates
U.S. Bank Plaza Building
980 Ninth Street, Suite 300
Sacramento, California 95814



RE: Request to Amend the Parameters and Guidelines
San Diego Unified School District
498/83 Graduation Requirements

In a letter dated October 9, 2006, San Diego Unified School district requested that our district be included as a party to the request to amend the parameters and guidelines filed in 1996 by San Diego Unified School District.

Our District appoints Keith B. Petersen, President, SixTen and Associates, as its representative for this matter, effective the date of this letter.

The District contact person is:

Edgar Manalo
Mandated Cost Analyst
855 Lenzen Ave
San Jose, CA 95126
408.535.6705
408.286.4965 Fax

Sincerely,

Patrick Day
Director, Maintenance/Operations/
Purchasing/Contract Management



Fiscal Services

1130 Fifth Avenue
Chula Vista, CA 91911-2896
(619) 691-5550

CSM-4181A

November 16, 2006

Paula Higashi, Executive Director
Commission on State Mandates
U.S. Bank Plaza Building
980 Ninth Street, Suite 300
Sacramento, California 95814



RE: Request to Amend the Parameters and Guidelines
San Diego Unified School District
498/83 Graduation Requirements

In a letter dated October 9, 2006, San Diego Unified School district requested that our district be included as a party to the request to amend the parameters and guidelines filed in 1996 by San Diego Unified School District.

The district appoints Keith B. Petersen, President, SixTen and Associates, as its representative for this matter, effective the date of this letter.

The District contact person is:

Sharon Moreno, Project Specialist
Mandated Costs Department

Sincerely,

Dianne Russo
Chief Financial Officer



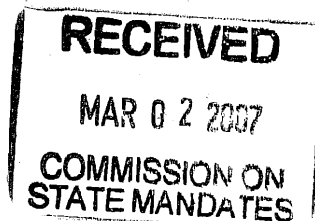
San Diego Unified School District

EUGENE BRUCKER EDUCATION CENTER
4100 Normal Street, San Diego, CA 92103-2682

(619) 725-7786
Fax: (619) 725-7564

FINANCIAL OPERATIONS DIVISION
Office of Resource Development

February 28, 2007



Paula Higashi, Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, California 95814

Re: Requests to Amend Parameters and Guidelines
Graduation Requirements (CSM-4181A and 05-PGA-05)
Education Code Section 51225.3, Statutes 1983, Chapter 498
San Diego Unified School District, et al., and Mountain View-Los Altos High School
District, Requesting Parties

San Diego Unified School District (District) respectfully requests that the parameters and guidelines for *Graduation Requirements* be amended to include a standardized method for calculating the increased costs to school districts for staffing and supplying the state mandated science course. The district suggests the use of the "One Quarter Class Load Method" (see sample page 3). The District has reviewed this method and found it to be a relatively simple method that can be used by any school district to isolate the cost of the mandated science course without having to establish a base year. Most of the data required for the calculation is available on the California Department of Education's website. This methodology can also be applied to the supply costs for science courses.

The District suggests the following language be inserted in section V(C)(1) a-e in the amended parameters and guidelines:

- a. The "increased pupil load" which results from the mandated additional year of science instruction shall be calculated by dividing the total grade 9 -12 pupil enrollment for the claim year by the number four (4), which represents one additional year of instruction
- b. The number of "increased science classes" for the mandated additional year of science instruction shall be calculated by dividing the "increased pupil load" by the average science class size for grades 9-12 for the claim year. If the claimant cannot determine the average science class size for grades 9-12, the default average science class size is 30 students.
- c. The number of "increased science teachers" required for the mandated additional year of science instruction shall be calculated by dividing the number of "increased science

February 28, 2007

classes" by the number five (5), which represents the full-time equivalent of classes instructed by each teacher.

- d. This increased cost of the number of "increased science teachers" required for the mandated additional year of science instruction shall be calculated by multiplying the number of "increased science teachers" by the average annual teacher salary and benefit cost for the school district for the claim year.
- e. The increased cost of the number of "increased science teachers" required for the mandated additional year of science instruction, after application of the relevant indirect cost rate, shall be reduced by the percent of science teacher salaries paid with restricted or specific purpose funding or reimbursement received or used for this purpose during the claim year from sources which do not require repayment by the school district.

Please feel free to contact me if you have any questions regarding this method.

Sincerely,



Arthur M. Palkowitz

Director, Office of Resource Development

One Quarter Class Load Method

This method is based on number of teachers needed to teach the additional year of science assuming a student would take the class in one of the four years of high school. Total secondary enrollment is multiplied by one quarter, and then the remainder is divided by the average science class size to determine the number of classes. Total classes are then divided by the number of classes taught by a full-time equivalent teacher*. The increase in teachers is then multiplied by an average salary and benefit amount to determine total costs. The total costs are then discounted by the portion of total teachers that are funded by restricted funds (categorical programs) to arrive at the net costs.

Data elements needed to complete the calculation include enrollment, average science class size, average science teacher salary and benefits, and teachers funded by categorical funds. As such, no prior year data is required for the calculation.

*-The standard workday for a high school teacher is 5 class periods. Total classes can be divided by the standard workday to determine full-time equivalent (FTE) teachers.

Sample Calculation		
A	Secondary Enrollment	28,000
B	One Quarter Class Load (Line A x ¼)	7,000
C	Average Science Class Size	28
D	Increased Classes (Line B/Line C)	250
E	Number of Classes Per Teacher	5
F	Increased Science Teachers (Line D/Line E)	50
G	Average Science Teacher Salary & Benefits	\$60,000
H	Total Costs (Line F x Line G)	\$3,000,000
I	Science Teachers Not Funded by Categorical Programs ¹ (90%)	90%
J	Net Science Teacher Costs (Line H x Line I)	\$2,700,000

¹ Total science teachers not funded by categorical programs divided by all science teachers. In general, under the State Department of Education's Standardized Account Code Structure, restricted resource codes are those greater than 1000.

PROOF OF SERVICE

Re: Requests to Amend Parameters and Guidelines
Graduation Requirements (CSM-4181A and 05-PGA-05)

I am employed in the County of San Diego, State of California. I am over 18 years of age and not a party to the within entitled action; my business address is 4100 Normal Street, Room 3209, San Diego, California 92103.

On February 28, 2007, I served the foregoing document(s) described as: **Comments to Amend Parameters and Guidelines.**

On the person/parties in this action by placing a true and correct copy thereof enclosed in a sealed envelope(s) with postage thereon fully prepaid in the United States Mail at San Diego, California, with first-class postage thereon fully prepaid.

Paula Higashi, Executive Director
Commission on State Mandates
980 Ninth Street, Suite #300
Sacramento, CA 95814

Mr. Keith Petersen, President
SixTen & Associates
5252 Balboa Avenue, Suite 900
San Diego CA 92117

Mr. David E. Scribner
Scribner Consulting Group, Inc.
3840 Rosin Court, Suite 190
Sacramento, CA 95834

Mr. Terry Bradley
Clovis Unified School District
1450 Herndon Avenue
Clovis, CA 93611-0599

Mr. Jerry Macy
Castro Valley Unified School District
4400 Alma Avenue
Castro Valley, CA 94546

Mr. Terry Ryan
Grossmont Union High School District
P.O. Box 1043
La Mesa, CA 91944

Mr. Patrick Day
San Jose Unified School District
855 Lenzen Avenue
San Jose, CA 95126-2736

Mr. Barry S. Dragon
Sweetwater Union High School District
1130 Fifth Avenue
Chula Vista, CA 91911-2896

Ms. Ginny Brummels
State Controller's Office (B-08)
Division of Accounting & Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

Mr. Gerald Shelton
California Department of Education
Fiscal and Administrative Services Division
1430 N Street, Suite 2213
Sacramento, CA 95814

Ms. Jeannie Oropeza
Department of Finance (A-15)
Education Systems Unit
915 L Street, 7th Floor
Sacramento CA 95814

Mr. Joe Rombold
School Innovations & Advocacy
11130 Sun Center Drive, Suite 100
Rancho Cordova, CA 95670

Ms. Sandy Reynolds
Reynolds Consulting Group, Inc.
P.O. Box 894059
Temecula, CA 92589

Mr. Steve Smith
Steve Smith Enterprises, Inc.
3323 Watt Avenue #291
Sacramento, CA 95821

Ms. Harmeet Barkschat
Mandate Resource Services
5325 Elkhorn Blvd. #307
Sacramento, CA 95842

Ms. Annette Chinn
Cost Recovery Systems, Inc.
705-2 East Bidwell Street, #294
Folsom, CA 95630

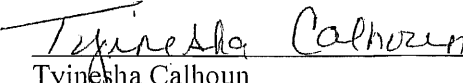
Mr. Steve Shields
Shields Consulting Group, Inc
1536 36th Street
Sacramento, CA 95816

Ms. Beth Hunter
Centration, Inc.
8570 Utica Avenue, Suite 100
Rancho Cucamonga, CA 91730

Mr. Robert Miyashiro
Education Mandated Cost Network
1121 L Street, Suite 1060
Sacramento, CA 95814

I declare, under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on February 28, 2007 in San Diego, California.


Tyinesha Calhoun



San Diego Unified School District

EUGENE BRUCKER EDUCATION CENTER
4100 Normal Street, San Diego, CA 92103-2682

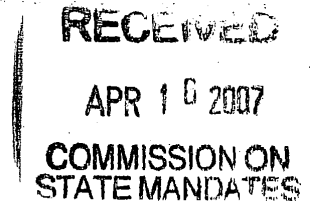
ATTACHMENT 3E

(619) 725-7786
Fax: (619) 725-7564

FINANCIAL OPERATIONS DIVISION
Office of Resource Development

April 12, 2007

Paula Higashi, Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, California 95814



Re: Requests to Amend Parameters and Guidelines
Graduation Requirements (CSM-4181A and 05-PGA-05)
Education Code Section 51225.3, Statutes 1983, Chapter 498
San Diego Unified School District, et al., and Mountain View-Los Altos High School
District, Requesting Parties

Dear Ms. Higashi:

Please be advised San Diego Unified School District (District) respectfully requests the correspondence dated February 28, 2007 and the comments contained therein be withdrawn and replaced with the comments stated below.

San Diego Unified School District (District) respectfully requests the language proposed herein is intended to modify the language proposed in 1996 and that the comments contained in this letter are proposed without prejudice to the effective date of the 1996 request by San Diego.

San Diego Unified School District (District) respectfully requests the parameters and guidelines for *Graduation Requirements* be amended to include a standardized method for calculating the increased costs to school districts for staffing and supplying the state mandated science course. The district suggests the use of the "One Quarter Class Load Method" (see sample page 3). The District has reviewed this method and found it to be a relatively simple method that can be used by any school district to isolate the cost of the mandated science course without having to establish a base year. Most of the data required for the calculation is available on the California Department of Education's website. This methodology can also be applied to the supply costs for science courses.

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Letter to Paula Higashi

Page 2

April 12, 2007

- b. The number of "increased science classes" for the mandated additional year of science instruction shall be calculated by dividing the "increased pupil load" by the average science class size for grades 9-12 for the claim year. If the claimant cannot determine the average science class size for grades 9-12, the default average science class size is 30 students.
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Please feel free to contact me if you have any questions regarding this method.

Sincerely,



Arthur M. Palkowitz

Director, Office of Resource Development

April 12, 2007

One Quarter Class Load Method

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Data elements needed to complete the calculation include enrollment, average science class size, average science teacher salary and benefits, and teachers funded by categorical funds. As such, no prior year data is required for the calculation.

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PROOF OF SERVICE

Re: Requests to Amend Parameters and Guidelines
Graduation Requirements (CSM-4181A and 05-PGA-05)

I am employed in the County of San Diego, State of California. I am over 18 years of age and not a party to the within entitled action; my business address is 4100 Normal Street, Room 3209, San Diego, California 92103.

On April 12, 2007, I served the foregoing document(s) described as: **Comments to Amend Parameters and Guidelines.**

On the person/parties in this action by placing a true and correct copy thereof enclosed in a sealed envelope(s) with postage thereon fully prepaid in the United States Mail at San Diego, California, with first-class postage thereon fully prepaid.

Paula Higashi, Executive Director
Commission on State Mandates
980 Ninth Street, Suite #300
Sacramento, CA 95814

Mr. Keith Petersen, President
SixTen & Associates
5252 Balboa Avenue, Suite 900
San Diego CA 92117

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I declare, under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on April 12, 2007 in San Diego, California.


Tyneisha Calhoun

05-PGA-05

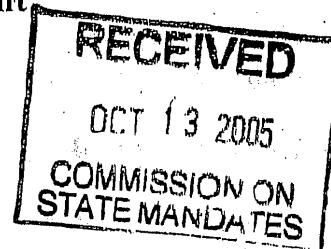
Parameters and Guidelines Amendment

Education Code Section 51225.3
Statutes of 1983, Chapter 498

Graduation Requirements

Mountain View- Los Altos High School District, Requestor

For Fiscal Year 2004-05 and Subsequent Years

**I. SUMMARY OF THE MANDATE**

Statutes 1983, chapter 498 added section 51225.3 to the Education Code. Section 51225.3 requires that, beginning with the 1986/87 school year, no pupil shall receive a high school diploma without completing an additional science course above that which was required before the enactment of Statutes 1983, chapter 498. Before Statutes 1983, chapter 498 the State only required one year of science and as a result of chapter 498 two science courses are now required. Chapter 498 also specifies that the curriculum include on course each of biological and physical sciences.

On January 22, 1987, the Commission on State Mandates ("Commission") adopted its statement of decision approving the *Graduation Requirements* test claim filed by the Santa Barbara High School District. The Commission found that Statutes 1983, chapter 498 imposed a reimbursable state-mandated program upon school districts. Specifically, the Commission found that chapter 498 imposed a higher level of service by requiring school districts to provide an additional science course to students before their graduation from the twelfth grade.

II. ELIGIBLE CLAIMANTS

Any "school district", as defined in Government Code section 17519, except for community colleges, which incurs increased costs as a result of this mandate is eligible to claim reimbursement.

III. PERIOD OF REIMBURSEMENT

Government Code section 17557, before its amendment by Statutes 1998, chapter 681 (effective September 22, 1998), provided that a test claim must be submitted on or before December 31 following a given fiscal year to establish eligibility for that fiscal year. The test claim for this mandate was filed on November 19, 1985, therefore all mandated costs incurred on or after July 1, 1984, are reimbursable.

Actual costs for one fiscal year should be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to Government Code section 17561, subdivision (d)(1), all claims for reimbursement of initial years' costs shall

be submitted within 120 days of notification by the State Controller of the issuance of claiming instructions. If the total costs for a given fiscal year do not exceed \$1,000 no reimbursement shall be allowed except as otherwise allowed by Government Code section 17564.

IV. REIMBURSABLE ACTIVITIES

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

For each eligible claimant, the following activities are reimbursable:

A. Acquisition of Additional Space/Equipment

Acquisition of additional space and equipment necessary of conducting new science classes, providing that space is lacking in existing facilities. However, the acquisition of additional space for conducting new science classes are reimbursable only to the extent that districts can document that this space would not have been otherwise acquired due to increases in the number of students enrolling in high school, and that it was not feasible, or would be more expensive, to acquire space by remodeling existing facilities.

B. Remolding Existing Space

Remodeling existing space to accommodate the new science class and lab including costs of design, renovation, and special lab equipment and outlets essential to maintaining a level of instruction sufficient to meet college admission requirements.

C. Staffing Additional Science Courses

Staffing and supplying the additional science courses.

V. SUPPORTING DOCUMENTATION

- A. Documentation of increased units of science course enrollments due to the enactment of Education Code section 51225.3 requiring such an increase.
- B. Documentation of lack of appropriately configured an equipped space in existing facilities for the new courses.
- C. Certification by the School District Governing Board that an analysis of all appropriate science facilities within the district was conducted and a determination made that no such facilities existed to reasonably accommodate increased enrollment for the additional science courses required by Education Code section 51225.3. "To reasonable accommodate" shall mean:
 - a. Adjusting attendance boundaries to balance attendance between under-utilized and over-utilized secondary school facilities within the district.
 - b. Taking advantage of other available secondary school science facilities that are within a secure walking distance of the school.
- D. Documentation that the additional space for conducting new science classes is required only when the space would not have otherwise been acquired due to an increase in high school enrollment.
- E. Documentation that remodeling existing facilities was not reasonable or would have been more expensive than acquiring additional space.

VI. CLAIM PREPARATION AND SUBMISSION

Each of the following cost elements must be identified for each reimbursable activity identified in Section IV, Reimbursable Activities, of this document. Each claimed reimbursable cost must be supported by source documentation as described in Section V. Additionally, each reimbursement claim must be filed in a timely manner.

A. Direct Cost Reporting

Direct costs are those costs incurred specifically for the reimbursable activities. The following direct costs are eligible for reimbursement:

- 1. Salaries and Benefits

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

2. Materials and Supplies

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities. Purchases shall be claimed at the actual price after deducting discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged on an appropriate and recognized method of costing, consistently applied.

3. Contracted Services

Report the name of the contractor and services performed to implement the reimbursable activities. Attach a copy of the contract to the claim. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the services that were performed during the period covered by the reimbursement claim and itemize all costs for those services. If the contract services are also used for purposes other than the reimbursable activities, only the pro-rata portion of the services used to implement the reimbursable activities can be claimed. Submit contract consultant and attorney invoices with the claim and a description of the contract scope of services.

4. Fixed Assets and Equipment

Report the purchase price paid for fixed assets and equipment (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset or equipment is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

5. Travel

Report the name of the employee traveling for the purpose of the reimbursable activities. Include the date of travel, destination point, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element A.1, Salaries and Benefits, for each applicable reimbursable activity.

B. Indirect Cost Rates

Indirect costs are costs that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned to other activities, as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives. A cost may not be allocated as an indirect cost if any other cost incurred for the same purpose, like circumstances, has been claimed as a direct cost.

Indirect costs include: (a) the indirect costs originating in each department or agency of the governmental unit carrying out state mandated programs, and (b) the costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

School districts must use the J-380 (or subsequent replacement) non-restrictive indirect cost rate provisionally approved by the California Department of Education.

County offices of education must use the J-580 (or subsequent replacement) non-restrictive indirect cost rate provisionally approved by the California Department of Education.

VII. RECORD RETENTION

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter¹ is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. All documents used to support the reimbursable activities, as described in Section V, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

VIII. OFFSETTING SAVINGS AND REIMBURSEMENTS

Any offsetting savings the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate received from any source, including, but not limited to, service fees collected, federal funds, and other state funds shall be identified and deducted from this claim.

The State Controller, when auditing school district's reimbursement claims under section VI of these parameter's and guidelines, may require that claimants provide detailed documentation of offsetting savings directly resulting from their provision of the second science course, including savings that offset the salaries of teachers hired for the second science course. The State Controller can require claimants to demonstrate that the second science course has

¹ This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

increased the number of classes provided during the school day and year along with the number of teachers required for the classes provided. The State Controller may not deny reimbursement of costs for teachers' salaries incurred by a school district in providing a second science course pursuant to Education Code section 51225.3(a)(1) on the grounds that the school district could have offset these costs by using its authority under Education Code section 44955(b) to terminate teachers of other courses provided by the school district, in particular, courses provided pursuant to Education Code section 51225.3(a)(2).

IX. STATE CONTROLLER'S CLAIMING INSTRUCTIONS

Pursuant to Government Code section 17558, subdivision (b), the Controller shall issue claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the adopted parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed. The claiming instructions shall be derived from the statute or executive order creating the mandate and the parameters and guidelines adopted by the Commission.

Pursuant to Government Code section 17561, subdivision (d)(1), issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the Commission.

X. REMEDIES BEFORE THE COMMISSION

Upon request of a local agency or school district, the Commission shall review the claiming instructions issued by the State Controller or any other authorized state agency for reimbursement of mandated costs pursuant to Government Code section 17571. If the Commission determines that the claiming instructions do not conform to the parameters and guidelines, the Commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the Commission.

In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557, subdivision (a), and California Code of Regulations, title 2, section 1183.2.

XI. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES

The Statement of Decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record for the test claim. The administrative record, including the Statement of Decision, is on file with the Commission.

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10/11/2005 12:27 6505611346

STEVE SMITH ENTERPRISE
MVLAJHSD

PAGE 01
PAGE 01/01



MOUNTAIN VIEW-LOS ALTOS UNION HIGH SCHOOL DISTRICT

BOARD OF TRUSTEES
Phil Fallace
Judy Hennemann
Julia Rosenberg
Susan Swasey
Dave Williams

SUPERINTENDENT
Rich Fischer

O5-PGA-05

AUTHORIZATION TO ACT AS REPRESENTATIVE
FOR MOUNTAIN VIEW-LOS ALTOS UNION HIGH SCHOOL DISTRICT
PARAMETERS AND GUIDELINES AMENDMENT

GRADUATION REQUIREMENTS

I, Joe White, hereby authorize Steve Smith (or designee) of Steve Smith Enterprises, Inc. to act as the representative and sole contact of Mountain View-Los Altos Union High School District in this Parameters and Guidelines Amendment. All correspondence and communications regarding this Amendment should be forwarded to:

Steve Smith
STEVE SMITH ENTERPRISES, INC.
4900 Whitney Avenue, Suite A
Sacramento, California 95821
Telephone: (916) 483-4231
Facsimile: (916) 483-1403

Dated: 5-11-05
Joe White
JOE WHITE
ASSOCIATE SUPERINTENDENT,
BUSINESS SERVICES

10/11/2005 09:24 9154970594

STEVE SMITH ENTERPRISE

PAGE 01

**AUTHORIZATION TO ACT AS REPRESENTATIVE
FOR MOUNTAIN VIEW-LOS ALTOS UNION HIGH SCHOOL DISTRICT
PARAMETERS AND GUIDELINES AMENDMENT**

O5-PGA-05

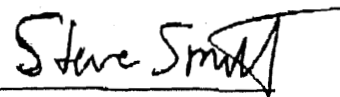
GRADUATION REQUIREMENTS

I, Steve Smith, hereby authorize David E. Scribner (or designee) of the Scribner Consulting Group, Inc. to act as the representative and sole contact of MOUNTAIN VIEW-LOS ALTOS UNION HIGH SCHOOL DISTRICT in this Parameters and Guidelines Amendment.

All correspondence and communications regarding this Amendment should be forwarded to:

David E. Scribner, Esq.
SCRIBNER CONSULTING GROUP, INC.
3840 Rosin Court, Suite 190
Sacramento, California 95834
Telephone: (916) 922-2636
Facsimile: (916) 922-2719

Dated: 10-11-05



STEVE SMITH
President

SixTen and Associates

Mandate Reimbursement Services

ATTACHMENT 5

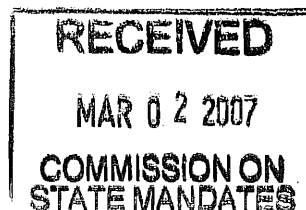
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February 28, 2007

Paula Higashi, Executive Director
Commission on State Mandates
U.S. Bank Plaza Building
980 Ninth Street, Suite 300
Sacramento, California 95814



06-PGA-05

RE: CSM-4181A and 05-PGA-05
498/83 Graduation Requirements
San Diego Unified School District
Mountain View-Los Altos High School District
Request to Amend the Parameters and Guidelines

On January 31, 2007, the Commission distributed copies of requests by the two above referenced districts to amend the parameters and guidelines for Graduation Requirements and invited comment. This letter transmits the response of the following six districts which I represent:

Castro Valley Unified School District
Clovis Unified School District
Fullerton Joint Union High School District
Grossmont Union High School District
San Jose Unified School District
Sweetwater Union High School District

On August 13, 1996, the San Diego Unified School District submitted a request to amend the parameters and guidelines for Graduation Requirements. The language proposed here by the six districts is intended to modify the language proposed in 1996 by San Diego. To avoid confusion, the proposed language modifies the last amended parameters and guidelines dated January 24, 1991, rather than attempt to simultaneously amend both the 1996 San Diego proposed language and 1991 language. With the permission of San Diego, the six districts would in essence modify the 1996 proposed language by substituting the language proposed here without

prejudice to the effective date of the 1996 request by San Diego.

This language proposed here does not include a proposal for a reasonable reimbursement methodology, pursuant to Government Code 17518.5. It is the opinion of the districts that there is no methodology which will meet the requirements of a reasonable reimbursement methodology as described by that code section.

The language proposed here does not respond to the language proposed by the Mountain View-Los Altos High School District.

The language proposed here focuses on a statement of the methodology to calculate the increased cost of facilities, equipment, and staffing for the mandated additional year of high school science instruction. According to the more recent practice, the requesting districts defer to the Commission staff to insert the most recent form of boilerplate language for the procedural parts of the parameters and guidelines, which would then be subject to response by the parties when drafted by the Commission staff for hearing.

The language proposed here indicates in italics the parts of the parameters and guidelines which may be affected by the Superior Court decision of February 9, 2005 which addressed the issues of "offsetting revenues" and the nature of the governing board certification by school districts relative to the acquisition of new facilities, both of which were the subject of the Commission decisions on the incorrect reduction claims later adjudicated by the court. The districts propose that the Commission staff draft language from existing Commission findings rather than have the districts attempt to restate those findings. This language would then be subject to response by the parties when drafted by the Commission staff for hearing.

The districts request that a prehearing conference be conducted after the end of the rebuttal period.

Sincerely,



for Keith Petersen

C: Gael Treible, Director, Business Services
Castro Valley Unified School District
Michael Johnston, Assistant Superintendent of Business Services
Clovis Unified School District

Colleen Patterson, Assistant Superintendent, Business Services
Fullerton Union High School District

Scott Patterson, Deputy Superintendent, Business Services
Grossmont Union High School District

Patrick Day, Director, Maintenance/Operations/Purchasing/Contract
Management
San Jose Unified School District

Diane Russo, Chief Financial Officer
Sweetwater Joint Union High School District

Arthur M. Palkowitz, Director, Office of Resource Development
San Diego Unified School District

Robert Miyashiro, School Services of California

COSM Service List

Commission on State Mandates

Original List Date: 1/24/2007
Last Updated:
List Print Date: 01/24/2007
Claim Number: 4181-A
Issue: Graduation Requirements

Mailing Information: Other

Mailing List

Related Matter(s)

05-PGA-05 Graduation Requirements

TO ALL PARTIES AND INTERESTED PARTIES:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.2.)

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Adopted: 3/23/88
Amended: 8/24/88
Amended: 1/24/91

Proposed language prepared on February 28, 2007 by SixTen and Associates on behalf of the six districts listed in the transmittal letter.

CSM-4181
PROPOSED AMENDMENT TO THE
PARAMETERS AND GUIDELINES
Chapter 498, Statutes of 1983
Education Code Section 51225.3
Graduation Requirements

I. SUMMARY OF MANDATE

Chapter 498, Statutes of 1983, added Section 51225.3 to the Education Code. This section requires that beginning with the 1986/87 school year, no pupil shall receive a high school diploma without completing an additional science course above that which was required prior to enactment of Chapter 498/83. One year of science was required prior to Chapter 498/83 and as a result of Chapter 498/83 two science courses are now required. Chapter 498/83 further specifies that the curriculum include one course each of biological and physical sciences.

II. COMMISSION ON STATE MANDATES DECISION

On November 20, 1986, the Commission on State Mandates determined that Education Code 51225.3 as added by Statutes of 1983, Chapter 498, constitutes a reimbursable state mandate by requiring school districts to provide an additional science course to students prior to their graduation from the twelfth grade.

Update this section for current boilerplate and the results of the San Diego court decision.

III. ELIGIBLE CLAIMANTS

All school districts and county offices of education that incurred increased costs as a result of implementing Chapter 498, Statutes of 1983, Education Code Section 51225.3.

Update this section for current boilerplate.

IV. PERIOD OF REIMBURSEMENT

The graduation requirement provisions of Chapter 498, Statutes of 1983, which amended Education Code section 51225.3 became effective July 28, 1983. Section 17557 of the Government Code states that a test claim must be submitted on or before November 30 following a given fiscal year to establish eligibility for that fiscal year. The test claim for this mandate was filed November 19, 1985. Therefore, costs incurred on or after July 1, 1984 are reimbursable. If total costs for a given fiscal year total less than \$201.00, no reimbursement shall be allowed, except as provided for in Revenue and Taxation Code Section 2233, which allows County Superintendents and County fiscal officers to consolidate claims of school districts and special districts that, taken individually are less than \$201.00.

Update this section for current boilerplate.

Effective date of amendment: The request to amend the parameters and guidelines was filed on August 12, 1996 by San Diego City Schools. Pursuant to Government Code section 17557 in effect at the time of the request, the amended parameters and guidelines are effective beginning July 1, 1995.

V. REIMBURSABLE COSTS

School Districts and county offices of education will be reimbursed for increased costs incurred in providing the additional science course mandated by Chapter 498/83, such as:

INCREASED FACILITY COSTS

- A. Acquisition (planning, design, land, demolition, building construction, fixtures, and facility rental) of additional space and equipment necessary for conducting new science classes the mandated additional year of science instruction, providing that space is lacking in existing facilities. However, the acquisition of additional space for conducting new science classes are reimbursable only to the extent that districts can document that this space would not have been otherwise acquired due to increases in the number of students enrolling in high school, and that it was not feasible, or would be more expensive, to acquire space by remodeling existing facilities. *This language is moved to Part IX.*

- B. ~~Remodeling (planning, design, demolition, building construction, fixtures, and interim facility rental) existing space required for the mandated additional year of science instruction to accommodate the new science class and lab including costs of design, renovation, and special lab equipment and outlets essential to maintaining a level of instruction sufficient to meet college admission requirements.~~

In the absence of more precise cost accounting documentation, the calculated cost of acquisition and remodeling of facilities for the mandated additional year of science instruction shall be fifty-percent (50%) of the actual total cost of acquisition and remodeling of grades 9-12 science instruction facilities expended during the claim year, reduced by fifty-percent (50%) of the total amount of any restricted construction funding or reimbursement received or used for this purpose during the claim year from sources (such as state school construction bond proceeds) which do not require repayment by the school district.

INCREASED EQUIPMENT COSTS

- B. Acquisition (planning, purchasing, and placement) of additional space and equipment and furniture necessary for conducting new science classes, providing that space is lacking in existing facilities the mandated additional year of science instruction. In the absence of more precise cost accounting documentation, the calculated cost of increased equipment and furniture for the mandated additional year of science instruction shall be fifty-percent (50%) of the actual total cost of science instruction equipment and furniture for grades 9-12 expended for this purpose during the claim year, reduced by fifty-percent (50%) of the total amount of any restricted funding or reimbursement for this purpose received or used during the claim year by the school district from sources which do not require repayment by the school district.

INCREASED PERSONNEL COSTS

- C. ~~Increased cost to school district for staffing and supplying the new science classes mandated.~~

SCIENCE TEACHER COSTS

1. In the absence of more precise cost accounting documentation, the calculation of the increased cost of science teachers for each fiscal year, will be calculated according to the following formula:
 - a. The "increased pupil load" which results from the mandated additional year of science instruction shall be calculated by dividing the total grade 9 -12 pupil enrollment for the claim year by the number four (4), which represents one additional year of instruction.
 - b. The number of "increased science classes" for the mandated additional year of science instruction shall be calculated by dividing the "increased pupil load" by the average science class size for grades 9-12 for the claim year. If the claimant cannot determine the average science class size for grades 9-12, the default average science class size is 35 students.
 - c. The number of "increased science teachers" required for the mandated additional year of science instruction shall be calculated by dividing the number of "increased science classes" by the number five (5), which represents the full-time equivalent of classes instructed by each teacher.
 - e. This *increased cost* of the number of "increased science teachers" required for the mandated additional year of science instruction shall be calculated by multiplying the number of "increased science teachers" by the average annual teacher salary and benefit cost for the school district for the claim year.
 - f. The *increased cost* of the number of "increased science teachers" required for the mandated additional year of science instruction, after application of the relevant indirect cost rate, shall be reduced by the total amount of any restricted or specific purpose funding or reimbursement received or used for grade 9-12 science instructors during the claim year from sources which do not require repayment by the school district, first divided by the total number of

grade 9 - 12 science teachers and then multiplied by the number of "increased science teachers."

OTHER SCIENCE INSTRUCTION PERSONNEL

2. In the absence of more precise cost accounting documentation, the calculation of the increased cost of "other (non-classroom teacher) science instruction personnel (e.g., laboratory assistants)" for grades 9-12 for each fiscal year, will be calculated according to the following formula:
 - a. The number of "increased other science instruction personnel" required for the mandated additional year of science instruction shall be calculated by dividing the number of full-time equivalents (five hours of class per day) of "other science instruction personnel" for grades 9-12 for the claim year by the number two (2).
 - b. This *increased cost* of the number of "increased other science instruction personnel" required for the mandated additional year of science instruction shall be calculated by multiplying the number of "increased other science instruction personnel" by the average annual salary and benefit cost for the school district for "other science instruction personnel" for grades 9 -12 for the claim year.
 - c. The *increased cost* of the number of "increased other science instruction personnel" required for the mandated additional year of science instruction, after application of the relevant indirect cost rate, shall be reduced by one-half of the total amount of any grade 9-12 restricted or specific purpose funding or reimbursement received or used for "other science instruction personnel" during the claim year from sources which do not require repayment by the school district.

SCIENCE INSTRUCTION MATERIALS

- D. Increased cost to school district for staffing and supplying the new science

classes mandated.

In the absence of more precise cost accounting documentation, the calculated cost of "increased science instruction materials (textbooks, materials and supplies)" shall be fifty-percent (50%) of the actual total cost of science instruction materials for grades 9-12 expended during the claim year, after application of the relevant indirect cost rate. The calculated cost of "increased science instruction materials" shall be reduced by one-half of the total amount of any restricted funding or reimbursement received or used for grade 9-12 science instruction materials for the claim year from sources which do not require repayment by the school district.

VI. OFFSETTING SAVINGS AND OTHER REIMBURSEMENT

~~Any savings the claimant experiences as a direct result of this statute must be deducted from costs claimed e.g., reductions in non-science classes resulting from increase in required science classes. In addition, reimbursement for this mandate received from any source, e.g., federal, state (other than state mandate reimbursement), block grants, etc., shall be identified and deducted from this claim.~~

Update this section for current boilerplate, but not inconsistent with the language in part V. above and the San Diego court decision.

VII. PROFESSIONAL AND CONSULTANT SERVICES

~~Claimants shall separately show the name of professionals or consultants, specify the functions which the consultants performed relative to the mandate, length of appointment, and the itemized costs for such services. Invoices must be submitted as supporting documentation with the claim. The maximum reimbursable fee for contracted services is \$65 per hour, adjusted annually by the GNP Deflator. Those claims which are based on annual retainers shall contain a certification that the fee is no greater than the above maximum. Reasonable expenses will also be paid as identified on the monthly billings of consultants.~~

This language is replaced by current boilerplate for claim preparation and submission.

VIII. ALLOWABLE OVERHEAD COSTS

The overhead cost for all of the above reimbursable costs shall be the Non-Restrictive Indirect Cost Rate from the J-141A.

This language is replaced by current boilerplate for claim preparation and submission.

IX. SUPPORTING DATA FOR CLAIMS

From Part V.

~~However,~~ The acquisition of additional space for conducting new science classes are reimbursable only to the extent that districts can document that this space would not have been otherwise acquired due to increases in the number of students enrolling in high school, and that it was not feasible, or would be more expensive, to acquire space by remodeling existing facilities.

- A. Documentation of increased units of science course enrollments due to the enactment of Education Code Section 51225.3 necessitating such an increase.
- B. Documentation of lack of appropriately configured and equipped space in existing facilities for the new courses.
- C. Certification by the Board that an analysis of all appropriate science facilities within the district was conducted, and a determination made that no such facilities existed to reasonably accommodate increased enrollment for the additional science courses required by the enactment of Education Code Section 51225.3. To reasonably accommodate includes:
 - a. Adjusting attendance boundaries to balance attendance between under-utilized and over-utilized secondary school facilities within the district.
 - b. Taking advantage of other available secondary school science facilities that are within a secure walking distance of the school.
- D. Documentation that the additional space for conducting new science classes is required only when the space would not have otherwise been acquired due to an increase in high school enrollment.
- E. Documentation that remodeling existing facilities was not feasible or would have been more expensive than acquiring additional space.

This material should be included as specific language for the direct cost of fixed assets

February 28, 2007

in the current boilerplate for claim preparation and submission, but not inconsistent with the San Diego court decision.

X. REQUIRED CERTIFICATION

The following certification must accompany the claim:

I DO HEREBY CERTIFY:

THAT Section 1090 to 1096, inclusive, of the Government Code and other applicable provisions of law have been complied with; and

THAT I am the person authorized by the local agency to file claims with the State of California.

Signature of Authorized Representative

Date

Title

Telephone Number

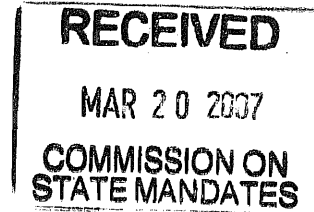
Update this section for current boilerplate.



JOHN CHIANG
California State Controller

March 16, 2007

Ms. Paula Higashi
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814



RE: REQUESTS TO AMEND PARAMETERS AND GUIDELINES
NOTICE OF PUBLIC COMMENT PERIOD AND TENTATIVE HEARING DATE
GRADUATION REQUIREMENTS (CSM-4181A AND 05-PGA-05
EDUCATION CODE SECTION 51225.3, STATUTES 1983, CHAPTER 498
SAN DIEGO UNIFIED SCHOOL DISTRICT, ET AL., AND MOUNTAIN VIEW-
LOS ALTOS HIGH SCHOOL DISTRICT, REQUESTING PARTIES

Dear Ms. Higashi;

We have reviewed the two pending requests to amend the parameters and guidelines (P's & G's) for the *Graduation Requirements* program submitted by San Diego Unified School District and Mountain View-Los Altos High School Districts. The State Controller's Office (SCO) will comment on and request amendment to the latest P's & G's amendment (04-PGA-30) to the *Graduation Requirements program* that was adopted on December 9, 2005.

Strikethroughs will be noted for deletion and underscore will represent the new amended language as proposed by the SCO.

IV. REIMBURSABLE ACTIVITIES

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

~~For this program, supporting documentation shall also include the following:~~

- ~~A. Documentation of increased units of science course enrollments due to the enactment of Education Code Section 51225.3 necessitating such an increase.~~
- ~~B. Documentation of lack of appropriately configured and equipped space in existing facilities for the new courses.~~
- ~~C. Certification by the Board that an analysis of all appropriate science facilities within the district was conducted, and a determination made that no such facilities existed to reasonably accommodate increased enrollment for the additional science courses required by the enactment of Education Code Section 51225.3. To reasonably accommodate includes:
 - ~~a. Adjusting attendance boundaries to balance attendance between under-utilized and over-utilized secondary school facilities within the district.~~
 - ~~b. Taking advantage of other available secondary school science facilities that are within a secure walking distance of the school.~~~~
- ~~D. Documentation that the additional space for conducting new science classes is required only when the space would not have otherwise been acquired due to an increase in high school enrollment.~~
- ~~E. Documentation that remodeling existing facilities was not feasible or would have been more expensive than acquiring additional space.~~

~~The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.~~

~~For each eligible claimant, the following activities are reimbursable:~~

- ~~1. Acquisition of additional space and equipment necessary for conducting new science classes, providing that space is lacking in existing facilities. However, the acquisition of additional space for conducting new science classes are~~

~~reimbursable only to the extent that districts can document that this space would not have been otherwise acquired due to increases in the number of students enrolling in high school, and that it was not feasible, or would be more expensive, to acquire space by remodeling existing facilities.~~

- ~~2. Remodeling existing space to accommodate the new science class and lab including costs of design, renovation, and special lab equipment and outlets essential to maintaining a level of instruction sufficient to meet college admission requirements.~~
- ~~3. Increased cost to school district for staffing and supplying the new science classes mandated.~~

The SCO recommends the "one quarter class load method" which would require no prior year data for the calculation. The data elements needed to complete the calculation include enrollment, average science class size, average science teacher salary and benefits, and teachers funded by categorical funds. This method would provide that increased costs would be limited to the cost of an activity that the claimant is required to incur as a result of the mandate. The following sample calculation and language is recommended by the SCO to provide a consistent reasonable reimbursement methodology.

Sample Calculation

A. Secondary Enrollment	28,000
B. One Quarter Class Load (Line A/1/4)	7,000
C. Average Science Class Size	28
D. Increased Classes (Line B/Line C)r	250
E. Number of Classes Per Teacher	5
F. Increased Science Teachers (Line D/ Line E)	50
G. Average Science Teacher Salary & Benefits	\$60,000
H. Total Costs (Line F x Line G)	\$3,000,000
I. Science Teachers Not Funded by Categorical Programs	90%
J. Net Science teacher Costs (Line H x Line I)	\$2,700,000

For eligible claimants, the following activities are reimbursable:

- A. Increased cost to school district for staffing and supplying the new science classes mandated.

The increased teacher costs are calculated based on number of teachers to teach the additional year of science as follows:

1. Total regular secondary enrollment (grades 9-12) is divided by four representing the additional year of science. (Refer to Sample Calculation A. & B.)

2. The number of additional classes is the enrollment in (1) divided by the average science class size. (Refer to Sample Calculation C. & D.)
3. The additional teachers are determined by dividing the additional classes in (2) by the classes taught by a full-time equivalent teacher (the de facto standard teacher day consists of 5 class periods). (Refer to Sample Calculation E. & F.)
4. The increased cost is determined by multiplying the number of teachers in (3) by the average salary and benefit cost of a science teacher. (Refer to Sample Calculation G.)
5. The reimbursable cost is determined by reducing the increased cost in (4) by the portion of all science teachers funded by restricted resources. (Refer to Sample Calculation I. & J.)

The increased material and supply costs are calculated based on the number of additional classes to teach the additional year of science as follows:

1. Total science material and supply costs are divided by total science classes offered to determine an average cost per science class.
2. The increased cost is determined by multiplying the average material and supply cost per class in (1) by the increased science classes determined in the teachers section (step 2).
3. The reimbursable cost is determined by reducing the increased cost in (3) by the portion of all science classes' material and supply costs funded by restricted resources.

Supporting documentation shall be required to support data elements needed to complete the calculation including enrollment, average science class size, total science classes, average science teacher salary and benefits, and costs funded by restricted resources.

- B. Acquisition of additional space and equipment necessary for conducting new science classes, providing that space is lacking in existing facilities. However, the acquisition of additional space for conducting new science classes are reimbursable only to the extent that districts can document that this space would not have been otherwise acquired due to increases in the number of students enrolling in high school, and that it was not feasible, or would be more expensive, to acquire space by remodeling existing facilities.
- C. Remodeling existing space to accommodate the new science class and lab including costs of design, renovation, special lab equipment and outlets essential to maintaining a level of instruction sufficient to meet college admission requirements.

Supporting documentation for acquisition and remodeling costs shall include the following:

1. Documentation of lack of appropriately configured and equipped space in existing facilities for the new courses. (Sample Calculation A & B)
2. Certification by the Board that an analysis of all appropriate science facilities within the district was conducted, and a determination made that no such facilities existed to reasonably accommodate increased enrollment for the additional science courses required by the enactment of Education Code Section 51225.3. To reasonably accommodate includes: (Sample Calculation C & D)
 - a. Adjusting attendance boundaries to balance attendance between under-utilized and over-utilized secondary school facilities within the district.
 - b. Taking advantage of other available secondary school science facilities that are within a secure walking distance of the school.
3. Documentation that the additional space for conducting new science classes is required only when the space would not have otherwise been acquired due to an increase in high school enrollment. (Sample Calculation E & F)
4. Documentation that remodeling existing facilities was not feasible or would have been more expensive than acquiring additional space. (Sample Calculation G)
5. Reimbursable cost is determined by reducing the acquisition and remodeling costs by the amount funded by restricted resources or state bond funds, if any, received by the school district or county office to construct the new facility. (Sample Calculation I & F)

Representatives of the SCO are available to discuss our proposed methodology for claiming increased costs for this program at a pre-hearing.

If you have any questions, please contact Ginny Brummels, Manager of the Local Reimbursements Section, at (916) 324-0256.

Sincerely,



JOHN A. KORACH, Chief
Division of Accounting and Reporting

JAK:glb

PROOF OF SERVICE BY MAIL

CSM – 05-PGA-05 – Peace Officers Procedural Bill of Rights

I, the undersigned, declare as follows:

I am a citizen of the United States and a resident of the County of Sacramento. I am over the age of 18 years and not a party to the within action. My place of employment and business address is 3301 C Street, Suite 500, Sacramento, California 95816.

On March 20, 2007, I served the attached recommendation of the State Controller's Office by placing a true copy thereof enclosed in a sealed envelope addressed to each of the persons named below at the addresses shown and by depositing said envelopes in the United States mail at Sacramento, California, with postage thereon fully prepaid.

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Mr. Gerald Shelton
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Ms. Jeanie Oropeza
Department of Finance (A-15)
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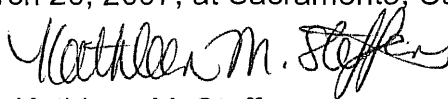
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I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 20, 2007, at Sacramento, California.



Kathleen M. Steffens